

The complaint

Mr V complains that National Westminster Bank Plc sent him a letter to say it wasn't pursuing him for outstanding debts but that a third party is still trying to collect payments. Mr V also complains that NatWest failed to offer support whilst he was experiencing financial difficulties.

What happened

Mr V had two personal loans and an overdraft with NatWest. In 2018 Mr V experienced some financial difficulties and NatWest referred his account to a third party (W) to manage. W contacted Mr V and said it may instruct solicitors to take legal action in relation to his debts.

In July 2019 NatWest says it sold Mr V's accounts to a third party business (C). In August 2019 both NatWest and C wrote to Mr V with Notices of Assignment. The Notice of Assignment C sent Mr V confirms it had acquired both personal loans and his overdraft.

Mr V has told us W continued to collect payments for the debts and he wasn't aware they had been sold to C.

In March 2020 NatWest wrote to Mr V to say it wasn't going to pursue him for the outstanding debts. Mr V later told his debt management plan administrator that payments to W, in relation to his NatWest accounts, were no longer due. Later, it came to light that C was still pursuing Mr V for the outstanding balance of the debts it had bought from NatWest in 2019. C sent Mr V a letter explaining the debts remained outstanding.

Mr V referred his complaints about the support provided by NatWest and the letter he received to this service and it was passed to an investigator. The investigator arranged for a new complaint to be set up concerning Mr V's concerns that NatWest had lent irresponsibly. NatWest explained that the letter it sent Mr V in March 2020 was issued on the basis it had sold the debts to C and written off accounts. But NatWest apologised that its letter wasn't clear and offered Mr V £150.

The investigator went on to uphold Mr V's complaint as NatWest provided further confusing information about the status of his debts in its response to the irresponsible lending complaint. NatWest agreed to pay Mr V a total of £250 for the trouble and upset caused. Mr V asked to appeal so his complaint has been passed to me to make a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr V has complained that NatWest failed to provide reasonable support while he was going through financial difficulties. Mr V has explained that he found letters from W that said it could take legal action to be particularly distressing. When a consumer is in financial difficulties businesses should treat them positively and sympathetically if asked for help. In

this case, I've looked at the contact notes NatWest has provided and it doesn't show Mr V notified it of his situation. And Mr V hasn't sent anything to demonstrate he asked NatWest for help.

I've also looked at W's correspondence and whilst I understand the situation was serious, I haven't found it treated Mr V unfairly. I appreciate W said it could take legal action to recover NatWest's debt, but I think that reflects the outstanding balance on Mr V's accounts and lack of payment arrangement or information about his circumstances. I'm sorry to disappoint Mr V but I haven't found NatWest treated him unfairly while he was experiencing financial difficulties.

I've looked at the timeline of this case and I'm satisfied that the two personal loans and overdraft were sold to C in 2019 as claimed. Whilst I understand Mr V may not have received the letters, I can see both NatWest and C wrote to him independently to confirm the new arrangements. Both letters are addressed in line with the details we hold for Mr V and I'm satisfied NatWest wrote to him as it claims.

That means when NatWest wrote to Mr V in March 2020 it had already sold his debts to C. As C is a separate business, NatWest can't write off any balance it holds. So I agree with the investigator that the debts in question remain with C and are outstanding.

Our investigator upheld Mr V's complaint and recommended NatWest pay him £250 for the unclear and confusing information provided. I think that's a fair way to resolve this complaint. I agree that NatWest's March 2020 letter and recent correspondence have included unclear and confusing information. But that doesn't mean the outstanding balance now owed to C has been written off. The error in this case is that NatWest has sent Mr V confusing information.

I can see Mr V contacted his debt management plan administrator to stop making payments to W. And it's clear the situation has caused him some distress and inconvenience. I agree that Mr V's complaint should be upheld on the basis that NatWest has sent unclear and confusing information about his debts. And I'm satisfied £250 fairly reflects the impact of that unclear information on Mr V. I'm not telling NatWest to take any further action in relation to the accounts it sold to C.

My final decision

My decision is that I uphold this complaint and direct National Westminster Bank Plc to pay Mr V £250. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 23 June 2021.

Marco Manente
Ombudsman